

## COON RAPIDS MORTGAGE ASSISTANCE FOUNDATION – ANNUAL MEETING

The December 3, 2015, meeting was called to order by President Stanton at 8:30 a.m.

### 1. Roll Call

Members Present	Jim Stanton, President Brad Crandall, Treasurer Tim Howe, Director Denise Klint, Director	Scott Schulte, Vice-President Al Hofstedt, Secretary Paul Johnson, Director
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Members Absent	Denise Hosch, Director
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Others Present	Cheryl Bennett, Housing & Zoning Coordinator Fran Hanson, Accounting Supervisor Cindy Hintze, Administrative Support Supervisor Matt Stemwedel, City Manager
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### 2. Consider adoption of the agenda.

MOTION BY VICE-PRESIDENT SCHULTE, SECOND BY DIRECTOR HOWE TO ADOPT THE AGENDA. MOTION PASSED UNANIMOUSLY.

### 3. Consider approval of minutes from the March 24, 2015, Special Meeting of the Board of Directors.

MOTION BY DIRECTOR HOWE, SECOND BY VICE-PRESIDENT SCHULTE, TO APPROVE THE MINUTES. MOTION PASSED UNANIMOUSLY.

### 4. Consider financial reports.

Ms. Hanson reviewed the funds for the new directors.

Ms. Bennett stated a correction should be made to fund 82000. The expense of \$1,155 should be classified as a payment to Ehlers and not architect fees. She noted that fund names will now include the accounting fund number designation to help identify separate funds.

Ms. Hanson stated the City's auditors advised staff that the definition of a special revenue fund no longer applies to the Coon Rapids MAF Fund 20000 as no revenue is derived. She noted that the City maintains it in its accounting books as a separate fund, however, to simplify matters, Coon Rapids MAF Program Fund 20000 could be transferred to the Housing Program Fund 19000.

Discussion of combining funds took place. Board members raised concerns of losing the housing program designation of the funds and did not want the funds used to fill gaps should the City's budget fall short.

MOTION BY VICE-PRESIDENT SCHULTE, SECOND BY TREASURER CRANDALL, TO KEEP THE FUNDS SEPARATE.

Concern of losing the "Mortgage Assistance Foundation" designation on the City Council budget documents was addressed by Ms. Hanson. She stated the line item could include "Mortgage Assistance Foundation".

MOTION PASSED. DIRECTOR HOWE OPPOSED.

MOTION BY VICE-PRESIDENT SCHULTE, SECOND BY DIRECTOR KLINT, TO ACCEPT THE FINANCIAL REPORTS. MOTION PASSED UNANIMOUSLY.

5. Election of Directors.

MOTION BY DIRECTOR JOHNSON, SECOND BY TREASURER CRANDALL, TO ELECT AL HOFTSTEDT AND SCOTT SCHULTE AS DIRECTORS TO TERMS EXPIRING 2018. MOTION PASSED UNANIMOUSLY.

Vice-President Schulte reminded the Board that one Director position remains vacant. In response to a question, Ms. Bennett advised the Board that according to the Foundation's Bylaws, a Director must reside or do business in Coon Rapids and that the election is subject to veto by City Council. Vice-President Schulte named Jerry Teeson as a possible nomination. Board members expressed agreement.

MOTION BY VICE-PRESIDENT SCHULTE, SECOND BY DIRECTOR JOHNSON, TO ELECT JERRY TEESON AS DIRECTOR, SUBJECT TO CITY COUNCIL VETO. MOTION PASSED UNANIMOUSLY.

Vice-President Schulte will contact Jerry Teeson.

City Manager Matt Stemwedel joined the meeting at 9:07 a.m.

6. Election of Officers: President, Vice President, Treasurer and Secretary.

Director Stanton nominated Director Schulte as President. Director Schulte respectfully declined the nomination stating he believed Director Stanton should serve another year as President based on Director Stanton's history on the Board.

MOTION BY DIRECTOR SCHULTE, SECOND BY DIRECTOR HOFSTEDT, TO NOMINATE DIRECTOR STANTON AS PRESIDENT. MOTION PASSED UNANIMOUSLY.

MOTION BY DIRECTOR CRANDALL, SECOND BY DIRECTOR HOWE, TO NOMINATE DIRECTOR SCHULTE AS VICE-PRESIDENT. MOTION PASSED UNANIMOUSLY.

MOTION BY DIRECTOR SCHULTE, SECOND BY DIRECTOR HOWE, TO NOMINATE DIRECTOR CRANDALL AS TREASURER. MOTION PASSED UNANIMOUSLY.

MOTION BY DIRECTOR HOWE, SECOND BY DIRECTOR SCHULTE, TO NOMINATE DIRECTOR HOFSTEDT AS SECRETARY. MOTION PASSED UNANIMOUSLY.

7. Receive report summarizing the status of the Housing Loan Program and Consider allocation of new funds to program.

Ms. Bennett stated program use was low as the year started, but activity has increased. Home for Generations II has experienced the most activity this year. She reported that six delinquent loans have been written off and that the write off will not show on the fund report but is part of the 3 percent set aside to cover delinquencies. After accounting for the write off, the 90-day plus delinquency rate is 4.83 percent of the outstanding loan balances and is an acceptable rate for this type of program.

Treasurer Crandall asked what the debt to income ratio was for loans. He would like his compliance team to review the ratio. Ms. Bennett will investigate the answer.

Vice-President Schulte stated the map provided in the agenda shows program use is well spread across the City, however, twin-homes need help. He thanked Ms. Bennett for her work and asked how to get help to twin-homes.

In response to Director Howe's questions, Ms. Bennett stated direct mailings have gone out in the past and that it is possible to send material again. She reminded the Board that both sides of a twin-home must participate at the same time to use the funds. She reported exceptions where one side completed exterior work, and the adjacent unit owner approached the City soon afterward for help completing exterior work on their unit. Ms. Bennett also stated the program guidelines may require the twin-home to be owner occupied to be eligible for the funds.

Vice-President Schulte stated he would be in favor of rehab funds being made available whether the twin-home was owner occupied or rental. The goal is to see the properties improved.

Ms. Bennett questioned whether the Board would like the interest rate to match the existing program interest rate for non-owner occupied twin-homes.

Vice-President Schulte suggested leaving the rate low. Treasurer Crandall recommended an increase in the interest rate due to the increased risk if the property is not owner occupied.

MOTION BY VICE-PRESIDENT SCHULTE, SECOND BY DIRECTOR KLINT, THAT PROPERTIES NEED NOT BE OWNER OCCUPIED TO RECEIVE THE TWO-FAMILY FUNDS.

Treasurer Crandall asked if a check is made payable to the property owner. Ms. Bennett stated the loan is administered through CEE and the funds are released to the contractor or to the homeowner after verification of the work being completed.

Treasurer Crandall stated this is a unique loan that cannot be found elsewhere and comes with more risk if not owner occupied. He would approve a rate of one to two percent higher.

Director Klint stated no one is using the program. The purpose of the program is to get properties improved.

Vice-President Schulte reminded the Board the goal is not to make money but for residents to use the programs.

Ms. Bennett stated the two-family loan is for exterior work only and the project must comply with the party wall agreement. The party wall agreement is not enforced by the City. The party wall agreements typically indicate exteriors must be compatible but not necessarily identical.

Discussion took place inquiring as to how many twin-homes are located within the City and the type of ownership of the twin-homes. Ms. Hintze stated that information could be gathered and shared. Ms. Bennett stated the Executive Committee could meet to review the additional data and review the program.

Vice-President Schulte modified his motion.

MOTION BY VICE-PRESIDENT SCHULTE, SECOND BY DIRECTOR KLINT, THAT PROPERTIES NEED NOT BE OWNER OCCUPIED TO RECEIVE THE TWO-FAMILY FUNDS, SUBJECT TO THE EXECUTIVE COMMITTEE REVIEW OF ADDITIONAL DATA. MOTION PASSED UNANIMOUSLY.

Secretary Hofstedt stated he would appreciate the additional time to review the data.

MOTION BY DIRECTOR HOWE, SECOND BY VICE-PRESIDENT SCHULTE, TO RECEIVE THE REPORT AND ALLOCATE AN ADDITIONAL \$500,000 FROM COON RAPIDS MAF PROGRAM FUND 20000 TO THE HOUSING PROGRAM FUND 19000, SUBJECT TO DIRECTION OF THE EXECUTIVE COMMITTEE FOR LOAN FUND DESIGNATION AS NEEDED. MOTION PASSED UNANIMOUSLY.

8. Receive report summarizing the status of the ReGenerations Down Payment Assistance Loan Program.

Ms. Bennett reviewed the report. She noted that use of the program has also been low this year but that interest is increasing. She noted that the principal mortgage must be the FHA 203(k) purchase plus rehab and that this is the major requirement of the program.

MOTION BY DIRECTOR HOWE, SECOND BY DIRECTOR KLINT, TO RECEIVE THE REPORT. MOTION PASSED UNANIMOUSLY.

9. Consider Funding Application under the Project Funding Guidelines for Fund 82000 from the City of Coon Rapids, Home for Generations II Program – Architectural Assistance.

Ms. Bennett reviewed the request for additional funding to underwrite the cost of architectural consultations for the Home for Generations II Program. To date, 118 consultations have taken place with 16 homeowners accessing two consultations, both landscape and building design. Funds granted by this foundation are limited to one consultation per owner by previous direction of the Board. Additional consultations are underwritten by HRA funds.

MOTION BY DIRECTOR HOWE, SECOND BY DIRECTOR JOHNSON, TO GRANT \$10,000 FROM FUND 82000 FOR ARCHITECTURAL ASSISTANCE IN THE HOME FOR GENERATIONS II PROGRAM. MOTION PASSED UNANIMOUSLY.

10. Set time and date for the 2016 Annual Meeting. The Bylaws establish the first Thursday in December of each year, which will be December 1, 2016.

MOTION BY DIRECTOR HOWE, SECOND BY SECRETARY HOFSTEDT, SETTING THE 2016 ANNUAL MEETING AS THURSDAY, DECEMBER 1, 2016. MOTION PASSED UNANIMOUSLY.

11. Consider other business.

No other business.

12. Adjourn.

President Stanton declared the meeting adjourned at 9:45 a.m.

Respectfully submitted by,  
Cindy Hintze  
Administrative Support Supervisor